

This Modification incorporates the following significant changes to contract DE-AC36-99GO10337:

- I. SECTION C DESCRIPTION/SPECIFICATION/STATEMENT OF WORK, SUBSECTION 3.0 PERFORMANCE EXPECTATIONS, OBJECTIVES, AND MEASURES, SUBSECTION 3.1 Performance Expectations is deleted and replaced with the following:

### 3.1 Performance Expectations and Critical Outcomes

The performance expectations of this contract are broadly set forth in this Section and reflect DOE's minimum needs and expectations for Contractor performance. Specific performance work statements, acceptable performance levels (performance expectations), acceptable quality levels (permissible deviations from performance expectations), and associated incentives will be established annually, or at other such intervals determined by the DOE to be appropriate. Specific work assignments will be conveyed through annual operating plans, field work proposals, or any other relevant document approved by the Contracting Officer.

Incentives, monetary or other, may be proposed by the Contractor, and will be assessed and approved by the Contracting Officer. To the extent practicable monetary awards will be tied directly to work performed using quantitative measures. Where this is not possible, qualitative measures will be applied and will be assessed using DOE's best judgment. Monetary incentives consisting of cost-saving sharing for extraordinary initiatives may be proposed by either party. These incentives will be considered by DOE, either separately or in conjunction with other incentives, where necessary to achieve a performance goal and may be approved by the Contracting Officer consistent with DOE policy regarding performance measurement and fee payment.

This statement of work identifies critical outcomes that represent DOE's expectations of contract performance and against which the Contractor's overall performance of scientific, technical, operational, and/or managerial obligations under this Contract will be assessed. Performance objectives and indicators, which further describe the Department's expectation for each critical outcome, will be updated annually. The Contractor is expected to accomplish the following critical outcomes:

- Science and Technology- MRI will establish a work environment that fosters quality and creativity, yields innovative and high quality scientific and technological outcomes, and results in utilization of NREL-originated technology and knowledge.
- Laboratory Stewardship- MRI will provide leadership that enhances the long-term viability of NREL and its value as a recognized national and international asset.
- Mission Support- MRI will provide effective and efficient management and business systems and practices that enable execution of the NREL mission and effective stewardship of DOE assets.

- Environment, Safety, and Health- MRI will establish ES&H as a core value to protect the safety and health of the NREL workforce, the community, and the environment.

II. Section J LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS, ATTACHMENT 6 “PERFORMANCE EVALUATION AND MEASUREMENT PLAN FOR EVALUATING CONTRACTOR PERFORMANCE AT THE NATIONAL RENEWABLE ENERGY LABORATORY” is deleted and replaced in its entirety with the following which reflects the incorporation of the following changes:

**Contract No DE-AC36-99GO10337**

**Modification M142**

**PERFORMANCE EVALUATION AND MEASUREMENT PLAN  
FOR  
EVALUATING CONTRACTOR PERFORMANCE  
AT THE  
NATIONAL RENEWABLE ENERGY LABORATORY**

**1.0 PERFORMANCE EVALUATION and MEASUREMENT PLAN**

The Performance Evaluation and Measurement Plan (PEMP) governs assessment of Contractor performance for Contract No. DE-AC36-99GO10337 at the National Renewable Energy Laboratory (NREL). The PEMP describes system attributes including performance expectations, roles and responsibilities, and the process by which Contractor performance will be evaluated for purposes of determining fee earned by the Contractor.

**2.0 REFERENCES AND DEFINITIONS**

2.1 Definition of terms used within this PEMP are as follows:

Evaluation Period	The October 1 through September 30 fiscal year.
Award fee period	A defined, discrete portion of an evaluation period. For purposes of this contract, the award fee period is October 1 through September 30.
Critical Outcome	A long-term, strategic goal stated in terms of the results that are expected to be achieved in an area that is of significant importance in achieving the vision. It is a statement that captures the essence of the desired end state to be achieved.

Performance Objective	An attainable goal that when achieved, will lead toward the critical outcome.
Performance Indicator	The evidence of achievement of, or progress toward, a performance objective.

### 3.0 CONTRACTOR SELF-ASSESSMENT

- 3.1 The Contractor is required to implement a comprehensive Self-Assessment Program in accordance with Section H-9 of the Contract. The Contractor shall submit a Self-Assessment 30 calendar days after each evaluation period ends. This Self-Assessment shall address both the strengths and weaknesses of the Contractor's performance across all elements of the Statement of Work (SOW) and should address the agreed-upon critical outcomes, performance objectives, and performance indicators. Where deficiencies are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies and to avoid their recurrence. The Fee Determining Official will review the Contractor's Self-Assessment as part of his/her evaluation of the Contractor's management during the award fee period. An unrealistic Self-Assessment will result in lower award fee determinations. The Contractor will not be penalized for a realistic Self-Assessment, although deficiencies noted by the Contractor may be reflected in the Department of Energy's (DOE) evaluation. The Self-Assessment submitted will not be the only basis for award fee determination.

### 4.0 PERFORMANCE MEASURES AND EVALUATION OF PERFORMANCE

- 4.1 Performance measures for this Contract will be derived from various sources including the Office of Energy Efficiency and Renewable Energy's (EERE) Strategic Plans, Annual Operating Plans, etc., will be aligned with the elements of the SOW, and will directly support EERE's strategic goals and commitments.
- 4.2 Performance measures for this Contract shall consist of critical outcomes, performance objectives, and performance indicators.

Critical Outcomes - The Contractor is responsible for and will be assessed against all elements of the SOW. These elements may be changed by DOE if and when the SOW is modified. These elements are:

- Science and Technology- MRI will establish a work environment that fosters quality and creativity, yields innovative and high quality scientific and technological outcomes, and results in utilization of NREL-originated technology and knowledge.
- Laboratory Stewardship- MRI will provide leadership that enhances the long-term viability of NREL and its value as a recognized national and international asset.
- Mission Support- MRI will provide effective and efficient management and business systems and practices that enable execution of the NREL mission and effective stewardship of DOE assets.
- Environment, Safety, and Health- MRI will establish ES&H as a core value to protect the safety and health of the NREL workforce, the community, and the environment.

Performance Objectives - The Contractor's success in achieving the critical outcomes will be judged, in part, on the Contractor's success in meeting established performance objectives. Performance objectives are negotiated between the Contractor and DOE and may change as agreed upon by the parties.

Performance Indicators – The Contractor's success in fulfilling a performance objective will be judged, in part, on the Contractor's success in meeting established performance indicators. Performance

indicators are generally negotiated between the Contractor and DOE and may change as agreed upon by the parties.

- 4.3 DOE and the Contractor will work together to establish performance measures. Proposed Contractor performance measures are due annually to the Contracting Officer no later than August 15. Should the Contractor and DOE not agree upon the performance measures, DOE will unilaterally establish measures in accordance with the terms of the Contract. The final annual Performance Measures and any revisions made to the Performance Measures during the evaluation period will be transmitted to the Contractor by letter from the Contracting Officer and will be considered as part of this contract.
- 4.4 Consistent with the 'award fee' nature of this Contract, evaluation of the Contractor's performance is substantially subjective and will be determined unilaterally by DOE.
- 4.5 The Contractor's success will be evaluated against the fulfillment of the SOW. Progress toward meeting performance objectives as evidenced by performance indicators is one factor considered by DOE in evaluation of the Contractor and will serve only to guide DOE's assessment of the Contractor's performance. Completion of individual tasks and/or activities do not, in and of themselves, constitute successful Contractor performance.
- 4.6 DOE expects the Contractor to perform at the highest levels of excellence; however the standard anticipated level of score of a qualified, competent, and successful Contractor is Good. DOE encourages the Contractor to exceed this expectation through leadership, innovation, and resourcefulness across all elements of the SOW. Performance scores above the standard level will reflect the extent to which the Contractor's actions, in DOE's sole judgment, contribute to advancing NREL's mission and yield more efficient, effective, and economical operation of NREL.
- 4.7 DOE may use any information available in assessing the Contractor's performance.

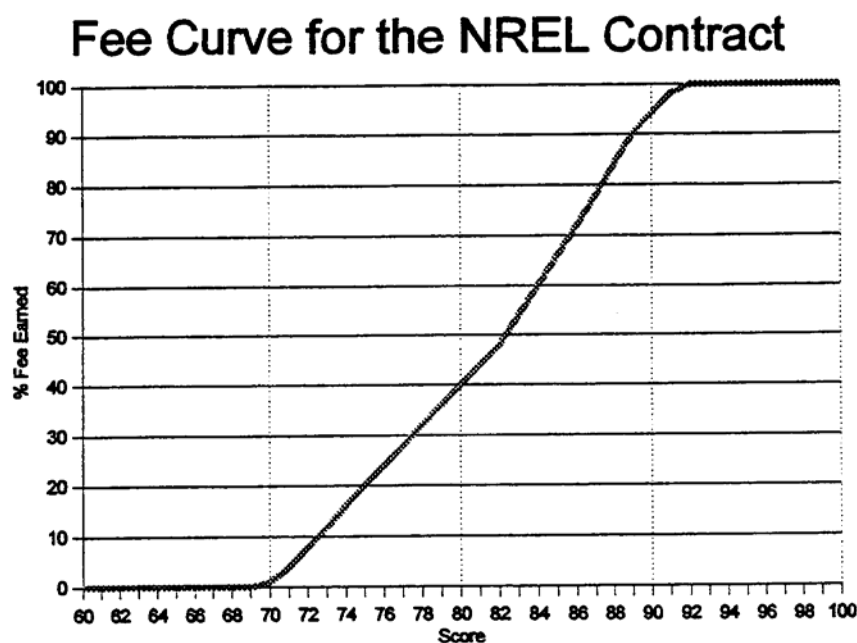
## 5.0 CALCULATION OF EARNED AWARD FEE

- 5.1 Total available fee will be determined in accordance with Clause H.9 "Fee and Performance" of this contract. Earned fee shall be calculated in accordance with the table below. For performance scores falling between the values given, the percentage of award fee shall be computed by linear interpolation between the above values. For purposes of computing the award fee, percentages shall be computed to the nearest tenth of a percent.

Adjectival Ratings and Fee Earned		
Adjective Score	Performance Score	Award Fee Earned (%)
Outstanding - Performance substantially exceeds expected levels of performance. Several significant* or notable** achievements exist. No notable deficiencies exist.	92-100	100
	91	98
	90	94
Excellent - Performance exceeds expected levels and some notable achievements exist. Although some notable deficiencies may exist, no significant deficiencies exist	89	90
	88	84
	<u>87</u>	78
	86	72
	85	66
	84	60
	<u>83</u>	54
	82	48
	81	44
	80	40
Good - Performance meets expected levels. Minimum standards are exceeded and "good practices" are evident in contract operations. Notable achievements or notable deficiencies may or may not exist.	79	36
	78	32
	<u>77</u>	28
	76	24
	75	20

	74 73 72 71 70	16 12 8 4 1
Marginal - Performance is less than expected. No notable achievements exist; however, some notable deficiencies exist, or any notable achievements exist which are more than offset by significant or notable deficiencies.	69 68 67 66 65 64 63 62 61 60	0 0 0 0 0 0 0 0 0 0
Unsatisfactory - Performance is below minimum acceptable levels. Significant deficiencies causing severe impacts on mission capabilities exist. Performance at this level in any area mentioned in the Performance Evaluation Plan may result in a decision by the Fee Determining Official to withhold all award fee for the period.	59 and Below	0

- \* Significant - This term signifies a major event or sustained level of performance which, due to its importance, has a substantial impact on the Contractor's ability to carry out its mission.
- \*\* Notable - This term signifies an event or sustained level of performance which is of lesser importance than a "significant" event, but nonetheless deserves some recognition.



## 6.0 CHANGE CONTROL

Changes to the Performance Evaluation and Measurement Plan can only be made upon approval of the Contracting Officer.

**ATTACHMENT 1****FRAMEWORK OF THE PEMP AWARD FEE EVALUATION PERIOD**

- 1) The Contractor submits the Self-Assessment to the Contracting Officer 30 calendar days from the end of the evaluation period. The Executive Secretariat forwards the Contractor's Self-Assessment to individual Performance Monitors.
- 2) A preliminary (draft) Award Fee Performance Evaluation Report shall be issued to the Contractor approximately 5 business days following the PEB meeting by the PEB Chairperson through the Contracting Officer. The Contractor shall be afforded an opportunity to review this report within 5 business days after receipt of report and then meet with the DOE representatives to discuss this evaluation. As soon as feasible, upon conclusion of this discussion, the PEB shall prepare and submit the final Award Fee Performance Evaluation Report to the FDO for the award fee determination. If so desired, the Contractor may submit written comments to the FDO within 5 business days of meeting with DOE on the draft Report.
- 3) The Contracting Officer will authorize payment, via letter, of the amount of award fee which has been determined by the FDO for the applicable award fee period. Payment of fee, if any, must be authorized no later than 90 calendar days from the end of the award fee period. If the determination is delayed beyond that date, the Contractor shall be entitled to interest on the determined award fee amount in accordance with DEAR 970.5215-1 Total Available Fee: Base Fee Amount and Performance Fee Amount (DEC 2000)
- 4) The evaluation of the Contractor's performance, the determination with respect to the entitlement of award fee or the amount thereof by the FDO, and implementation thereof by contract amendment shall be final and is not subject to the "Disputes" clause of this contract.

III SECTION J LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS, ATTACHMENT 5 OPERATING AND ADMINISTRATIVE REQUIREMENTS (LIST B) is deleted and replaced in its entirety with the following which reflects the incorporation of the following changes:

**Summary of Modifications to Attachment 5  
Operating and Administrative Requirements**

Deleted	DOE N 205.4 CRD Handling Cyber Security Alerts and Advisories and Reporting Cyber Security Incidents Approved 3/18/02 (Cancelled by DOE M 205.1-1)	CRD applicable in part
Added	DOE O 226.1 CRD Implementation of Department of Energy Oversight Policy Approved: 09/15/05	CRD applicable in whole
Deleted	DOE O 414.1B CRD Quality Assurance Approved: 4/29/04	CRD applicable in whole
Added	DOE O 414.1C CRD Quality Assurance	CRD applicable in part

	Approved: 6/17/05	
Deleted	DOE O 151.1B CRD Comprehensive Emergency Management System Approved: 11/01/00	CRD applicable in whole
Added	DOE O 151.1C CRD Comprehensive Emergency Management System Approved: 11/02/05	CRD applicable in whole

**SECTION J – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS  
ATTACHMENT 5**

**OPERATING AND ADMINISTRATIVE REQUIREMENTS (LIST B)**

**Prime Contract No. DE-AC36-99GO10337**

The operating and administrative requirements, including the Contractor Requirements Documents of DOE directives listed below are applicable in whole or in part in accordance with clauses H-19 Application of DOE Contractor Requirements Documents and 970.5204-2, Laws, Regulations, and DOE Directives (DEC 2000). The concurrence analysis documenting applicability for each requirement below is maintained in the DOE Master File as well as any assurances as required by Clause H-19, are made a part of this Contract by reference and are managed through a formal change control process.

<b>Operating and Administrative Requirements</b>	<b>Applicability</b>
DOE O 110.3 CRD Conference Management Approved: 11/03/99	CRD applicable in whole
DOE O 130.1 CRD Budget Formulation Approved: 09/29/95	CRD applicable in whole
DOE O 142.3 CRD Unclassified Foreign Visits and Assignments Program Approved: 06/18/04	CRD applicable in whole
DOE O 151.1C CRD Comprehensive Emergency Management System Approved: 11/02/05	CRD applicable in whole
DOE O 200.1 CRD Information Management Program Approved: 09/30/96	CRD applicable in whole
DOE N 203.1 CRD Software Quality Assurance Approved: 10/02/00	CRD applicable in whole
DOE O 205.1 CRD Department of Energy Cyber Security Management Program Approved: 03/21/03	CRD applicable in whole
DOE M 205.1-1 CRD Incident Prevention, Warning, and Response (IPWAR) Manual Approved: 09/30/04	CRD applicable in whole
DOE M 205.1-2 CRD Clearing, Sanitization, and Destruction of Information Storage Media, Memory Devices, and Related Hardware Manual Approved: 06/26/05	CRD applicable in part



Operating and Administrative Requirements	Applicability
DOE N 205.2 CRD Foreign National Access to DOE Cyber Systems Approved: 11/01/99 DOE N 205.7, dated 02/12/04, extends this directive until 08/12/04 DOE N 205.16, dated 9/15/05, extends this directive until 09/30/06	CRD applicable in whole
DOE N 205.3 CRD Password Generation, Protection and Use Approved: 11/23/99 DOE N 205.7, dated 02/12/04, extends this directive until 08/12/04 DOE N 205.16, dated 9/15/05, extends this directive until 09/30/06	CRD applicable in part
DOE N 205.8 CRD Cyber Security Requirements for Wireless Devices and Information Systems Approved: 02/11/04 DOE N 205.15, dated 03/18/05, extends this directive until 03/18/06	CRD applicable in part
DOE N 205.9 CRD Certification and Accreditation Process for Information Systems Including National Security Systems Approved: 02/19/04 DOE N 205.15, dated 03/18/05, extends this directive until 03/18/06	CRD applicable in part
DOE N 205.10 CRD Cyber Security Requirements for Risk Management Approved: 02/19/04 DOE N 205.15, dated 03/18/05, extends this directive until 03/18/06	CRD applicable in part
DOE N 205.11 CRD Security Requirements for Remote Access to DOE and Applicable Contractor Information Technology Systems Approved: 02/19/04 DOE N 205.15, dated 03/18/05, extends this directive until 03/18/06	CRD applicable in part
DOE O 221.1 CRD Reporting Fraud, Waste, and Abuse to the Office of Inspector General Approved: 03/22/01	CRD applicable in whole
DOE O 221.2 CRD Cooperation with the OIG Approved: 03/22/01	CRD applicable in whole
DOE O 225.1A CRD Accident Investigations Approved: 11/26/97	CRD applicable in whole
DOE O 226.1 CRD Implementation of Department of Energy Oversight Policy Approved: 09/15/05	CRD applicable in whole
DOE M 231.1-1A CRD Environment, Safety and Health Reporting Manual Approved: 03/19/04	CRD applicable in whole

Operating and Administrative Requirements	Applicability
DOE M 231.1-2 CRD Occurrence Reporting and Processing of Operations Information Approved: 08/19/03	CRD applicable in whole
DOE O 241.1A CRD Scientific and Technical Information Management Approved: 04/09/01	CRD applicable in whole
DOE O 251.1A CRD Directives System Approved: 01/30/98	CRD applicable in whole
DOE O 350.1 Change 1 CRD(s) Contractor Human Resource Management Programs Approved: 09/30/96 Change 1: 05/08/98	CRD applicable in whole
DOE O 350.2A CRD Use of Management and Operating or Other Facility Management Contractor Employees for Services to DOE in the Washington, D.C., Area Approved: 10/29/03	CRD applicable in whole
DOE O 412.1 CRD Work Authorization System Approved: 04/20/99	CRD applicable in whole
DOE O 413.1A CRD Management Control Program Approved: 04/18/02	CRD applicable in whole
DOE O 413.3 Change 1 CRD Program and Project Management for the Acquisition of Capital Assets Approved: 10/13/00 Change 1: 01/03/05	CRD applicable in whole
DOE O 414.1C CRD Quality Assurance Approved: 06/17/05	CRD applicable in part
DOE O 430.1B CRD Real Property Asset Management Approved: 09/24/03	CRD applicable in whole
DOE O 430.2A CRD Departmental Energy and Utilities Management Approved: 04/15/02	CRD applicable in whole
DOE O 443.1 CRD Protection of Human Subjects Approved: 05/15/00	CRD applicable in whole
DOE O 450.1 CRD Environmental Protection Program Approved: 01/15/03	CRD applicable in whole

Operating and Administrative Requirements	Applicability
DOE O 470.1 Change 1 CRD Safeguards and Security Program Approved: 09/28/95 Change 1: 06/21/96 DOE N 251.53, dated 05/14/03, extends this directive until 05/14/04 Partial deletion by DOE O 471.4 Incidents of Security Concern. DOE O 471.4 Incidents of Security Concern partially deletes DOE O 470.1, Change 1, Safeguards and Security Program, by canceling Chapter VII, "Incidents of Safeguards and Security Concern" DOE N 251.63, dated 05/11/05, extends this directive until 05/11/06	CRD applicable in part
DOE O 470.2B CRD Independent Oversight and Performance Assurance Program Approved: 10/31/02	CRD applicable in whole
DOE O 471.4 CRD Incidents of Security Concern Approved: 03/17/04	CRD applicable in part
DOE O 473.1 CRD Physical Protection Program Approved: 12/23/02	CRD applicable in part
DOE M 473.1-1 CRD Physical Protection Program Manual Approved: 12/23/02	CRD applicable in part
DOE O 473.2 CRD Protective Force Program Approved: 06/30/00	CRD applicable in part
DOE N 473.9 CRD Security Conditions Approved: 07/08/04 DOE N 251.64, dated 07/07/05, extends this directive until 07/07/06	CRD applicable in whole
DOE O 475.1 CRD Counterintelligence Program Approved 12/10/04	CRD applicable in whole
DOE N 481.1A CRD Reimbursable Work for Department of Homeland Security Approved: 04/21/03 DOE N 251.56, dated 04/20/04, extends this directive until 04/20/05	CRD applicable in whole
DOE O 482.1 CRD DOE Facilities Technology Partnering Programs Approved: 01/12/01	CRD applicable in whole
DOE O 483.1 CRD DOE Cooperative Research and Development Agreements Approved: 01/12/01	CRD applicable in whole

Operating and Administrative Requirements	Applicability
DOE O 522.1 CRD Pricing of Departmental Materials and Services Approved: 11/03/04	CRD applicable in whole
DOE O 534.1B CRD Accounting Approved: 01/06/03	CRD applicable in whole
DOE O 551.1B CRD Official Foreign Travel Approved: 08/19/03	CRD applicable in whole

- V. In accordance with FAR 52.219-9, Attachment 2 “Small Business and Small Disadvantaged Business Subcontracting Plan” is deleted and replaced with the attached Attachment 2 “Small Business and Small Disadvantaged Business Subcontracting Plan”, signed by the Contracting Officer on 12/15/05. This plan reflects revised FY06 goals.
- VI. The following revision has been made to Section J List of Documents, Exhibits and Other Attachments, Attachment 7, Personnel (Appendix A):

### **Section 10, Employee Programs**

#### **No. 6 Other Programs**

##### **(1) Emeritus Nomination and Appointment**

The laboratory has established an Emeritus Nomination and Appointment program that provides opportunities to extend the period of association with retired scientists, engineers, or other employees who have demonstrated outstanding and significant leadership in their respective fields. This arrangement provides the emeritus with access to NREL facilities, office space, and limited coverage of professional expenses in exchange for his or her advice, mentoring, and the benefit to the Laboratory of continued association with the reputation of the emeritus. Individuals with emeritus status are not considered NREL employees.

- VII. Section J, ATTACHMENT 1 “KEY PERSONNEL” of Contract DE-AC36-99GO10337 is deleted and replaced in its entirety with the following which reflects the removal of Mr. Jerry L. Bellows as the Associate Director, Laboratory Operations and adds Mr. William S. Glover as the Deputy Laboratory Director and Chief Operating Officer:

## **SECTION J – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS**

### **ATTACHMENT I**

#### **KEY PERSONNEL**

In accordance with DEAR 952.215-70 Key Personnel (DEC 2000) of this contract the following personnel are identified as key to the success of this contract.

Dr. Dan E. Arvizu	Director
Mr. William S. Glover	Deputy Director and Chief Operating Officer
Ms. Bobi Garrett	Associate Director, Planning and Technology Management
Dr. Stanley R. Bull	Associate Director, Science and Technology
Ms. Jessie J. Harris	Associate Director, Communications and Stakeholder Relations
Mr. Dale Gardner	Associate Director, Systems Integration

Should a key person voluntarily or involuntarily terminate employment at the National Renewable Energy Laboratory for any reason that information will be communicated in a timely manner to DOE, and the name of the individual selected as the replacement will be submitted to DOE for approval consistent with the provisions of DEAR 952.215-70 Key Personnel (DEC 2000).

VIII. All other terms and conditions of the contract remain the same.